

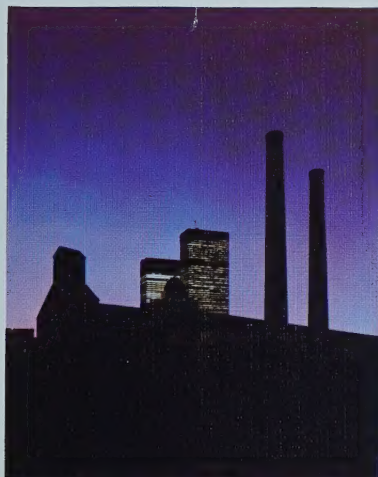


AREA MINES LIMITED

1969

HIGHLIGHTS

- Madeleine Mine into production on schedule
 - Working capital and investments at market — \$9,013,840
 - Investment in Highland-Bell Limited
 - Investment in Brameda Resources Limited
-



Directors

J. C. FRANTZ, B.Sc., M.A., P.Eng., Willowdale, Ontario
Chief Geologist, Keevil Mining Group Limited

STEPHEN KAY, B.M.E., P.Eng., Scarborough, Ontario
President, International Mine Services Limited

N. B. KEEVIL, M.Sc., Ph.D., Port Credit, Ontario
President, Teck Corporation Limited

N. B. KEEVIL JR., M.Sc., Ph.D., P.Eng., Toronto, Ontario
Executive Vice-President, Teck Corporation Limited

J. H. WESTELL, Islington, Ontario
Executive Vice-President, Keevil Mining Group Limited

R. J. WRIGHT, B.A., LL.B., Toronto, Ontario
Partner, Lang, Michener, Cranston, Farquharson & Wright

Officers

NORMAN B. KEEVIL, *President*
NORMAN B. KEEVIL JR., *Vice-President*
ROBERT J. WRIGHT, *Secretary*
JAMES H. WESTELL, *Treasurer*

Registrar & Transfer Agents

Canada Permanent Trust Company
Toronto and Montreal

Auditors

J. Clare Wilcox & Co.
Toronto, Ontario

Executive Office

Suite 4900
P.O. Box 49, Toronto-Dominion Centre
Toronto, Ontario

REPORT TO SHAREHOLDERS:

The past year was an important one for your company, with the bringing into production of the second mine with which it has been associated, the return to a strong working capital position, and significant investments in the expanding mineral industry of western Canada.

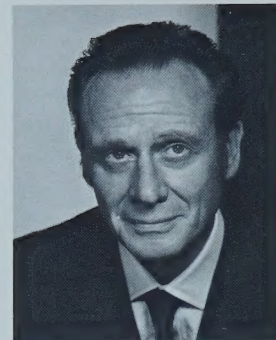
MADELEINE

Production at the Madeleine property commenced on schedule in June 1969, and the mine was opened formally by the Minister of Natural Resources of the province of Quebec on September 12th.

The mill treated an average of 2,200 tons per day and produced concentrates containing 8,317,789 pounds of copper and 82,694 ounces of silver during 1969. In February 1970 an additional ball mill was installed to increase the milling rate to its planned capacity of 2,500 tons per day.

Net smelter returns to December 31, 1969 were \$5,320,344. Operating costs of \$1,832,109 left a mine operating profit of \$3,488,235 or 74¢ per share. After write-offs, administrative costs and interest expense, net profit for the six months of initial operation was \$1,894,528 or 40¢ per share.

Reserves at the year end stood at 5,068,456 tons grading 1.34% Cu. With the mine in full production, an exploratory drilling programme was started near the year end, and this has resulted in some addition to mineable reserves. A surface drilling programme to test a number of areas is scheduled for the coming summer.



Madeleine



SALE OF SHARES

Under the financing agreement entered into with McIntyre Porcupine Mines Limited, Area and Frobex Limited, the co-discoverers of the Madeleine orebody, were required to dispose of a portion of their holdings. Area fulfilled its obligation through the sale of 400,000 shares of Madeleine in June 1969 at an aggregate price of \$1,920,000. Area still holds 1,151,176 shares or 25% of Madeleine.

PURCHASE OF SHARES

In November, Area purchased 200,000 shares or 12.2% of Highland-Bell Limited. Highland-Bell holds 305,500 shares of Mattagami Lake Mines Limited and 1,289,992 shares or 35% of Leitch Mines Limited, which in turn holds 311,200 shares of Mattagami. Area owns an additional 35,006.5 shares of Mattagami directly.

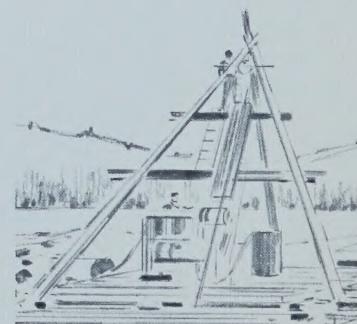
FINANCIAL POSITION

Area's working capital position at December 31, 1969 was \$611,211. Taking marketable securities at market value, this becomes \$1,099,225. In addition, shares in associated companies had a market value of \$7,914,615 for a total of \$9,013,840 or \$4.51 per Area share. This total is made up as shown in the opposite table.

EARNINGS

Area earned \$104,907 in investment income during 1969 and showed a non-recurring profit on sale of securities of \$1,731,848, for a total of \$1,836,755.

Asset	Value
Mattagami 35,006.5 shares	\$1,041,443
Madeleine 1,151,176 shares	\$6,964,615
Highland-Bell 200,000 shares	\$ 950,000
Other	\$ 57,782
	<hr/> \$9,013,840



EXPLORATION

Area participated in exploration programmes in the Coppermine River area, the Edson coal area in Alberta, and in a regional uranium syndicate in eastern Canada. Results from the Coppermine and coal projects were disappointing, but further exploration is planned on the uranium project. The syndicate is participating with a number of companies in deep drilling the Subeo property, a uranium prospect in Blind River, and in follow-up programmes on a number of other uranium properties in the Grenville province and Favourable Lake areas.

Area will be participating in a number of airborne electromagnetic projects in eastern Canada during 1970.

BRAMEDA

Subsequent to the year end, Area and Highland-Bell jointly invested in Brameda Resources Limited, an aggressive natural resource development company based in western Canada. Area purchased 566,668 shares of Brameda for an aggregate price of \$1,400,000 and loaned Brameda \$500,000, convertible into shares at \$6 per share within three years. Upon conversion, Area and Highland-Bell would each hold 650,000 shares of Brameda.

Brameda has an option to place the Yukon porphyry copper deposit of Casino Silver Mines Ltd. into production, and could earn 70% of the property. Brameda also owns 16% of Casino. The deposit is one of the largest low-grade deposits in western Canada and could develop into an important operation.

Brameda owns 50.3% of Churchill Copper Corp. Ltd., 214,796 shares of Giant Mascot Mines Limited, interesting coal and timber interests, and patent rights on the Thermochem sulphur process.

The Brameda investment gives Area substantial exposure in the expanding mineral potential of British Columbia and the Yukon. The association with the Brynelsen Group, with their successful mine-finding record, should prove rewarding.

On behalf of the Board,



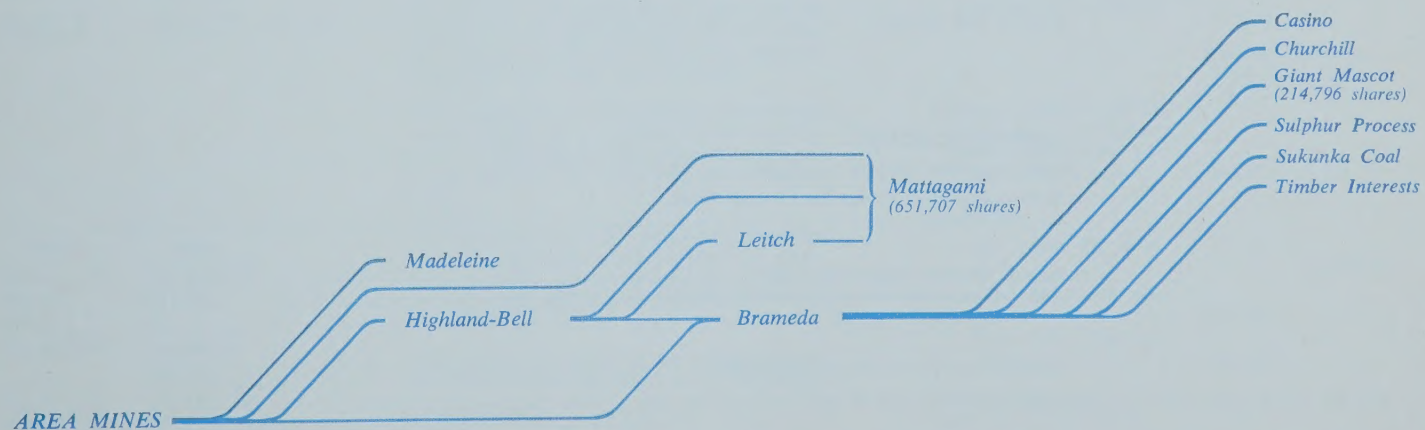
June 5, 1970

N. B. KEEVIL
President

Coal Seam



Casino



STATEMENT OF EXPLORATION AND ADMINISTRATIVE EXPENDITURES DEFERRED

FOR THE YEAR ENDED DECEMBER 31, 1969

(with comparative figures for the year 1968)

	1969	1968
Balance, beginning of year	\$ 73,250	\$ 76,188
Exploration expenditures for the year	169,868	11,506
Administrative expenditures for the year:		
Directors' fees	2,150	2,100
General administrative expenses	21,195	11,465
Interest	7,355	10,738
Legal and audit fees	2,303	7,447
Transfer and registrar agents' fees and disbursements	2,556	1,778
Underwriting expenses	21,279	—
	56,838	33,528
Total exploration and administrative expenses for the year	226,706	45,034
Deduct investment income	104,907	34,643
Excess of expenditure over income for the year	121,799	10,391
Deduct — expenditures written off to deficit	22,513	13,329
	99,286	2,938
Balance, end of year	\$ 172,536	\$ 73,250

SURPLUS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 1969

(with comparative figures for the year 1968)

	1969	1968
Surplus (Deficit) beginning of year	\$ (1,159,337)	\$ (1,140,966)
Add — exploration and administrative expenditures written off	(22,513)	(13,329)
— investment written off	(1)	(5,042)
	(1,181,851)	(1,159,337)
Deduct — profit on sale of investments	1,731,848	—
Surplus (Deficit) end of year	\$ 549,997	\$ (1,159,337)

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Area Mines Limited (No Personal Liability) as at December 31, 1969 and the statements of exploration and administrative expenditures deferred, surplus and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements, when read in conjunction with the notes appended thereto present

fairly the financial position of the company as at December 31, 1969 and the results of its operations and the source and use of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J. CLARE WILCOX & CO.,
Chartered Accountants.

Toronto, Ontario,
April 2, 1970.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1969

1. Securities on hand which were acquired prior to 1966 have been valued at their market value on December 31, 1965, or, if there was no market value at that date, at a nominal value. Securities on hand which have been acquired since 1965 have been valued at cost.
2. The investments in non-marketable securities are principally in companies under development or exploration. The amount of \$48,317 is not intended to reflect present or future values.
3. The amount shown for deferred exploration expenses represents costs incurred on properties in which the company has an interest and are not intended to reflect present or future values.
4. There are 50,000 shares of the company stock which have been donated for the company's benefit and are held in the names of N. B. Keevil and Sir Michael Butler, Bt. in trust.

5. The authorized capital has been changed and increased during the year. The comparative position is as follows:

	Number of Shares	
	1969	1968
Preferred shares — 6½% non-voting non-cumulative, redeemable par value 25 cents each ..	10,593,750	10,593,750
Common		
— par value 25 cents each		3,000,000
— Class "A" — no par value	5,000,000	
— Class "B" — no par value	10,000,000	

The common par value 25 cent shares became Class "A" no par shares.

(Incorporated under

BALANCE SHEET A

(with comparative fig

ASSETS

	as at December 31,	
	1969	1968*
CURRENT ASSETS		
Cash in bank	\$ 27,779	\$ 1,428
Short term note	100,000	—
Marketable securities — Note 1	553,429	558,891
(Quoted market value 1969, \$1,041,443; 1968, \$1,914,820)		
Other	378	287
	<u>681,586</u>	<u>560,606</u>
OTHER INVESTMENTS — Note 1		
Listed securities	1,895,099	495,100
(Quoted market value 1969, \$7,914,615; 1968, \$4,547,145)		
Non-marketable securities — Note 2	48,317	48,318
	<u>1,943,416</u>	<u>543,418</u>
DEFERRED EXPLORATION EXPENSES	172,536	73,250
REORGANIZATION EXPENSES	4,438	—

*Reclassified for comparative purposes.

\$2,801,976\$1,177,274

Quebec Companies Act)

T DECEMBER 31, 1969

as at December 31, 1968)

LIABILITIES

	as at December 31,	
CURRENT LIABILITIES	1969	1968
Bank loan	—	\$ 150,000
Accounts payable and accrued liabilities	\$ 70,275	5,007
Provision for provincial taxes	100	—
	<u>70,375</u>	<u>155,007</u>
SHAREHOLDERS' EQUITY		
Capital Stock		
Authorized —		
10,593,750 non-voting, non-cumulative 6% redeemable preferred shares with a par value of 25 cents		
5,000,000 class "A" shares without par value		
10,000,000 class "B" shares without par value		
Class "A" and class "B" shares not to be issued for a consideration in excess of \$5,000,000		
Issued and fully paid —		
2,000,000 class "A" common shares	500,000	500,000
Capital Surplus	<u>1,681,604</u>	<u>1,681,604</u>
	2,181,604	2,181,604
Surplus (deficit)	<u>549,997</u>	<u>(1,159,337)</u>
	2,731,601	1,022,267

Signed on behalf of the Board:

W. J. Bennett, Director.

J. H. Wentz, , Director.

\$2,801,976

\$1,177,274

STATEMENT OF SOURCE AND USE OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1969

(with comparative figures for the year 1968)

	1969	1968*
Working capital, beginning of year	\$ 405,599	\$ 918,591
Source of funds:		
Investment income	104,907	34,643
Profit on the sale of listed securities	1,731,849	—
Proceeds on sale of other investments	—	2,499
	<u>1,836,756</u>	<u>37,142</u>
Use of funds:		
Reclassification of marketable securities to other investments		495,100
Purchase of listed securities	1,400,000	
Purchase of non-marketable securities	—	10,000
Reorganization expense	4,438	—
Exploration and administrative expenditures for the year	226,706	45,034
	<u>1,631,144</u>	<u>550,134</u>
Net increase or (decrease)	205,612	(512,992)
Working capital, end of year	\$ 611,211	\$ 405,599

*Reclassified for comparative purposes.

AREA MINES LIMITED

(No Personal Liability)

Statement of Source and Use of Funds

For the 6 Months Ended June 30

	<u>1969</u>	<u>1968</u>
Source of Funds:		
Dividend income	\$ 13,855	\$ 13,853
Interest income	1,777	—
Realization on sale of investments	—	2,500
Profit on sale of marketable investments	<u>1,743,803</u>	<u>—</u>
	<u>\$1,759,435</u>	<u>\$ 16,353</u>
Use of Funds:		
Purchase of investments in other companies	\$ —	\$ 10,000
Exploration and administrative expenditures for the period	<u>26,870</u>	<u>17,443</u>
	<u>26,870</u>	<u>27,443</u>
Net increase (decrease)		
for the period	<u>\$1,732,565</u>	<u>\$ (11,090)</u>
Working capital beginning		
of the year	<u>\$ 900,700</u>	<u>\$ 251,459</u>
Working capital June 30	<u>\$2,633,265</u>	<u>\$ 240,369</u>
Above statement is unaudited and subject to adjustment		

AR48 AREA MINES LIMITED



SIX MONTHS REPORT JUNE 30, 1969

PRESIDENT'S REMARKS at Annual Meeting of Shareholders July 31, 1969

Executive Offices
Suite 4900
Toronto-Dominion Centre
Toronto, Ontario

President's remarks to shareholders:

It is a particular pleasure to report at this annual meeting that your company has been involved in bringing another important mine into production. The Madeleine mill has been in tune-up since mid-June, and operations are proceeding most satisfactorily. I would like to take this opportunity to congratulate the management of McIntyre Porcupine Mines Limited who have helped to bring the deposit into production efficiently and expeditiously.

Underground development and stope preparation have advanced far enough to supply continuous mill feed at 2,500 tons per day. The ore appears to be fracturing well with little apparent overbreak and minimal secondary blasting required. The unadjusted mill results from July 1 to July 27 are 41,785 tons of ore milled averaging 1.23% Cu. This has produced 1,330 tons of concentrate at 35.43% Cu for a 91.1% recovery yielding 942,367 pounds of Cu, and production for the month will be over 1,000,000 pounds of Cu. During June 671.6 tons of concentrate containing 406,070 pounds of Cu were produced. The concentrates are being trucked to the Gaspé smelter and will be stored until the current strike at the smelter has been settled.

A surface exploration programme is underway with ten miles of line cutting completed and work started on geophysical surveying and geological mapping. Five deep exploratory holes are to be drilled from the 2720 level and drilling will begin soon.

During the month of June Area fulfilled an obligation under the financing arrangement by selling 400,000 shares of Madeleine through an underwriter. The sale netted Area \$1,950,000 and these funds have been invested in short

term deposits. Area continues to hold 1,151,176 shares of Madeleine and is in an excellent position to take advantage of new opportunities in Canadian natural resources.

An exploration and drilling programme is in progress on 1,686 claims jointly optioned by Area Mines Limited and Pickle Crow Explorations Limited in the Coppermine River area, Northwest Territories. Five drill holes have been completed to the end of July on induced polarization anomalies. One hole intersected mineralization from 66 to 110 feet, assaying 2.16% Cu across 44 feet. The programme now underway to test a number of anomalies will be followed by detailed work on the better zones.

Area is negotiating to acquire, jointly with Teck Corporation, an interesting prospect in Alberta which has potential for substantial open pit coal reserves. A programme of bulldozing and drilling is scheduled for August.

While Area has an excellent cash and working capital position, under the current tight money conditions your directors consider it advisable to increase the capitalization of the company so that we may maintain maximum flexibility in acting on opportunities as they arise.



N.B. KEEVIL
President

July 31, 1969

AREA MINES LIMITED

(No Personal Liability)

Statement of Exploration and Administrative Expenditures Deferred

For the 6 Months Ended June 30

	<u>1969</u>	<u>1968</u>
Balance, beginning of year	\$73,250	\$76,188
Exploration expenditures for the period	<u>3,285</u>	<u>906</u>
Administrative expenditures for the year:		
Directors' fees	550	600
General administrative expenses	7,035	5,311
Interest	5,787	5,226
Legal and audit fees	8,958	5,269
Transfer and registrar agents fees and disbursements ...	<u>1,255</u>	<u>131</u>
	\$23,585	\$16,537
Total exploration and administrative expenses for the period	26,870	17,443
Deduct investment income	<u>15,632</u>	<u>13,853</u>
Net expenditure for period	<u>11,238</u>	<u>3,590</u>
Balance June 30	<u>\$84,488</u>	<u>\$79,778</u>

Above statement is unaudited and subject to adjustment

AREA MINES LIMITED

(No Personal Liability)

Executive Office
Suite 4900, Toronto-Dominion Centre
Toronto 1, Ontario

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual and a Special General Meeting of Shareholders of AREA MINES LIMITED will be held at Suite 332, Montreal Aeroport Hilton Hotel on Thursday, July 31, 1969 at the hour of 9:00 o'clock in the forenoon, Eastern Daylight Saving Time to:

- (a) receive and consider the Annual Report of the Company containing the financial statements as at December 31st, 1968 and the report of the Auditors thereon;
- (b) elect Directors in accordance with the by-laws of the Company;
- (c) appoint Auditors, and authorize the Directors to fix their remuneration;
- (d) consider and sanction, subject to such amendments and variations as may be approved at the meeting, By-law No. 97 of the Company, a copy of which is annexed to the Information Circular of the Company, dated as of July 15, 1969; and
- (e) transact such other business as may properly come before the meeting or any adjournment thereof.

A copy of the Annual Report accompanies this notice.

Shareholders who are unable to attend the meeting in person are requested to date and sign the enclosed form of instrument of proxy and return it using the stamped form provided for that purpose.

DATED at Toronto, Ontario, this 15th day of July, 1969.

By Order of the Board of Directors,

R. J. WRIGHT,
Secretary.

AREA MINES LIMITED

(No Personal Liability)

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This information circular dated as of July 15th, 1969, is furnished in connection with the solicitation by the management of Area Mines Limited (the Company) of proxies to be used at the Annual and Special General Meeting of the Shareholders of the Company (the meeting) to be held at the time and place and for the purposes set forth in the accompanying notice of such meeting. Solicitation will be made primarily by mail, but may be supplemented by solicitation personally by directors, officers and employees of the Company without special compensation. The cost of solicitation by management will be borne by the Company.

The persons named in the enclosed form of proxy are directors of the Company. **A shareholder desiring to appoint some other person to attend and act for him and on his behalf at the meeting may do so either by striking out the names of the persons designated in the form of proxy and inserting such person's name in the blank space provided in the form of proxy, or by submitting another proper form of proxy.**

If the accompanying separate proxy form is executed and returned, it may nevertheless be revoked at any time.

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the directions contained therein, subject to the provisions of Section 105 of The Securities Act, 1966 of Ontario. **In the absence of such directions, it is intended that such shares will be voted for the election of directors, the appointment of auditors and for the ratification, approval and confirmation of By-law No. 97 as stated under the appropriate headings in this Circular.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. At the time of printing this circular the management of the Company knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

VOTING SHARES

The authorized capital of the Company consists of 3,000,000 common shares with a par value of \$0.25 (twenty-five cents) each, and 10,593,750 redeemable preferred shares with a par value of \$0.25 (twenty-five cents) each, of which on the date of this circular 2,000,000 common shares were issued and outstanding as fully paid and non-assessable, each carrying the right to one vote per share. There are no preferred shares outstanding. Holders of shares of record will be entitled to one vote at the meeting for each share held. Votes may be given either personally or by proxy, and in the case of a corporation, by a representative duly authorized.

To the knowledge of the directors and senior officers of the Company, the only person or company beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all shares of the Company is Lamaque Mining Company Limited, which has informed the Company that it held beneficially 848,200 shares on July 14, 1969, which represent 42.4% of the outstanding shares of the Company.

According to the Company's records, the only other person or company holding more than 10% of the outstanding shares of the Company is Superior Oil Company of Nevada, which on July 14, 1969 held 201,800 shares which represent 10.1% of the outstanding shares of the Company.

ELECTION OF DIRECTORS

The Board consists of six directors to be elected annually. It is intended that the shares represented by the proxies hereby solicited will be voted by the persons therein named for the election of the six nominees whose names are set forth below, four of whom are now members of the board of directors and have been since the dates indicated. The management does not contemplate that any nominee will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the meeting, it is intended that the persons named in the enclosed form of proxy shall reserve the right to vote for another nominee of their choice in his place and stead.

The names of each of the nominees for office as directors and pertinent information regarding them are as follows:

Name and Office Held	Present Principal Occupation or Employment	Date on Which First Elected Director	Shares Beneficially Owned Directly or Indirectly
Norman B. Keevil (President and Director)	Dr. Keevil is President of Copperfields Mining Corporation Limited, Teck Corporation Limited, Silverfields Mining Corporation Limited and Tri-bag Mining Co., Limited	December 23rd, 1965	1,000

Name and Office Held	Present Principal Occupation or Employment	Date on Which First Elected Director	Shares Beneficially Owned Directly or Indirectly
Norman B. Keevil Jr. (Vice-President and Director)	Dr. Keevil Jr. is a geophysicist and is a director and officer of Teck Corporation Limited and various other mining companies.	December 23rd, 1965	1,000
Robert J. Wright (Secretary and Director)	Mr. Wright is a barrister and solicitor, and since December 1964 has been a partner in the law firm of Lang, Michener, Cranston, Farquharson & Wright	November 13th, 1967	100
James H. Westell (Treasurer and Director)	Mr. Westell is the Vice-President of Keevil Mining Group Limited and Treasurer and a Director of Teck Corporation Limited.	September 27th, 1966	nil
Stephen Kay	Mr. Kay is a professional engineer and is President and General Manager of International Mine Services Limited.	July 15th, 1969	nil
William James Jr.	Dr. James is a consulting geologist, and a partner of James, Buffam & Cooper.	—	100

NOTE:

1. The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective directors individually.
2. Unless otherwise stated above, each of the above-named persons has held the principal occupation or employment indicated for at least five years.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

During the past fiscal year, the aggregate remuneration paid or payable by the Company to the directors and senior officers of the Company was \$2,100.00.

PARTICULARS OF MATTERS TO BE ACTED UPON

The shareholders will be asked to consider By-law No. 97 of the Company. Under the provisions of this by-law, the authorized capital of the Company will be changed and increased. A copy of By-law No. 97 is attached hereto as Schedule "A".

APPOINTMENT OF AUDITORS

It is intended that the shares represented by the proxies hereby solicited will be voted for the reappointment of J. Clare Wilcox, 4 Richmond Street East, Toronto, Ontario, as auditors of the Company to hold office until the next annual meeting of shareholders.

The Company paid during its last completed fiscal year as part of its exploration and development expenditures during the year the sum of \$19,353.00 to Geophysical Engineering & Surveys Limited (Geophysical) to provide services, personnel, facilities, etc., in this respect based upon prices consistent with those in the industry. Geophysical may purchase at the total proportionate cost then pertaining (including all expenses to date) a 10% interest in mining properties acquired by the Company through the efforts of Geophysical or upon which Geophysical may have provided services. This right may only be exercised prior to such properties being prepared for production. Geophysical Engineering & Surveys Limited is a private company providing consulting services for the mining industry, as well as carrying out research and development in geophysical techniques, in which Dr. Norman B. Keevil and Dr. Norman B. Keevil Jr. are substantial shareholders.

By Order of the Board of Directors

DATED as of the 15th day of July, 1969.

R. J. Wright
Secretary

Schedule "A"
AREA MINES LIMITED
BY-LAW No. 97

being a by-law changing and increasing the authorized capital of the Company and authorizing an application for supplementary letters patent.

WHEREAS the authorized capital of the Company consists of 3,000,000 common shares with a par value of \$0.25 each and 10,593,750 non-voting, non-cumulative, 6% redeemable preferred shares of the par value of \$0.25 each, of which 2,000,000 common shares have been issued and allotted and are outstanding as fully paid; and

WHEREAS it is deemed necessary and expedient in the interest of the Company that the capital of the Company be changed and increased as herein provided;

NOW THEREFORE BE IT ENACTED AND IT IS HEREBY ENACTED as By-law No. 97 of AREA MINES LIMITED (herein called the "Company"):

1. THAT the capital of the Company be and is hereby changed as follows: the 2,000,000 issued common shares with a par value of \$0.25 each and the 1,000,000 unissued common shares with a par value of \$0.25 each of the capital stock of the Company be changed into 2,000,000 issued Class "A" shares without par value and 1,000,000 unissued Class "A" shares without par value, respectively;
2. THAT the capital stock of the Company be increased by the creation of an additional two million (2,000,000) Class "A" shares without nominal or par value ranking pari passu in all respects with the existing three million (3,000,000) Class "A" shares of the capital of the Company and by the creation of ten million (10,000,000) Class "B" shares without nominal or par value.

The capital stock of the Company shall then consist of five million (5,000,000) Class "A" shares without nominal or par value and ten million (10,000,000) Class "B" shares without nominal or par value and ten million five hundred and ninety-three thousand seven hundred and fifty (10,593,750) non-voting, non-cumulative, 6% redeemable preferred shares of the par value of \$0.25 each provided, however, that the aggregate consideration for the issue of the said five million (5,000,000) Class "A" shares without nominal or par value and ten million (10,000,000) Class "B" shares without nominal or par value shall not exceed in amount of value the sum of five million dollars (\$5,000,000) or such greater amount as the Board of Directors of the Company may deem expedient and as may be authorized by the Minister of Financial Institutions, Companies and Co-operatives on payment of the requisite fees applicable to such greater amount.

3. THAT the said Class "A" shares of the capital stock of the Company shall carry and be subject to the following rights, restrictions and limitations:
 - (a) The Class "A" shares shall carry and the holders thereof shall be entitled to one hundred (100) votes per share at all meetings of the shareholders of the Company;
 - (b) The Class "B" shares shall carry and the holders thereof shall be entitled to one (1) vote per share at all meetings of the shareholders of the Company;
 - (c) In all other respects the said Class "A" shares without nominal or par value and the said Class "B" shares without nominal or par value shall rank pari passu each with the other;
 - (d) The Company may, from time to time, pass a by-law authorizing an application for supplementary letters patent to create and issue further Class "A" and Class "B" shares on the same terms as and ranking pari passu in all respects with the Class "A" and Class "B" shares hereby created, or to alter or modify the terms attaching to such Class "A" and Class "B" shares; but no application for supplementary letters patent for such purpose shall be made until such by-law has been approved, in addition to any required approval by holders of other classes of shares, by at least three-fourths ($\frac{3}{4}$) of the votes of the holders of the then outstanding Class "A" shares and by at least three-fourths ($\frac{3}{4}$) of the votes of the holders of the then outstanding Class "B" shares cast at a special general meeting duly called for considering the said by-law.

4. THAT the Company be and is hereby authorized to make application to the Minister of Financial Institutions, Companies and Co-operatives for supplementary letters patent confirming this by-law.

5. THAT the directors and officers be and are hereby authorized and directed to do, sign and execute all things, deeds and documents necessary or desirable for the due carrying out of the foregoing.